

SERFF Tracking Number:	PRGS-125850736	State:	Arkansas
Filing Company:	Progressive Direct Insurance Company	State Tracking Number:	EFT \$100
Company Tracking Number:	AR DIR 200811		
TOI:	19.0 Personal Auto	Sub-TOI:	19.0001 Private Passenger Auto (PPA)
Product Name:	AR Direct 200811		
Project Name/Number:	AR Direct 200811/		

Filing at a Glance

Company: Progressive Direct Insurance Company

Product Name: AR Direct 200811

TOI: 19.0 Personal Auto

Sub-TOI: 19.0001 Private Passenger Auto
(PPA)

Filing Type: Rate/Rule

SERFF Tr Num: PRGS-125850736 State: Arkansas

SERFF Status: Closed

Co Tr Num: AR DIR 200811

Co Status:

Author: AR Filer

Date Submitted: 10/10/2008

State Tr Num: EFT \$100

State Status: Fees verified and
received

Reviewer(s): Alexa Grissom, Betty
Montesi

Disposition Date: 11/03/2008

Disposition Status: Filed

Effective Date Requested (New): 11/07/2008

Effective Date Requested (Renewal): 12/22/2008

Effective Date (New): 11/07/2008

Effective Date (Renewal):
12/22/2008

State Filing Description:

General Information

Project Name: AR Direct 200811

Project Number:

Reference Organization:

Reference Title:

Filing Status Changed: 11/03/2008

State Status Changed: 10/14/2008

Corresponding Filing Tracking Number:

Filing Description:

see cover letter

Status of Filing in Domicile:

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

Company and Contact

Filing Contact Information

Geoff Souser, Product Manager

geoffrey_t_souser@progressive.com

<i>SERFF Tracking Number:</i>	<i>PRGS-125850736</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Progressive Direct Insurance Company</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>AR DIR 200811</i>		
<i>TOI:</i>	<i>19.0 Personal Auto</i>	<i>Sub-TOI:</i>	<i>19.0001 Private Passenger Auto (PPA)</i>
<i>Product Name:</i>	<i>AR Direct 200811</i>		
<i>Project Name/Number:</i>	<i>AR Direct 200811/</i>		

300 N. Commons Blvd. (440) 395-8862 [Phone]
Mayfield Village, OH 44143

Filing Company Information

Progressive Direct Insurance Company	CoCode: 16322	State of Domicile: Ohio
6300 Wilson Mills Rd, N72	Group Code: 155	Company Type:
Cleveland, OH 44143	Group Name:	State ID Number:
(440) 461-5000 ext. [Phone]	FEIN Number: 34-1524319	

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Filing Fees

Fee Required?	Yes
Fee Amount:	\$100.00
Retaliatory?	No
Fee Explanation:	
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Progressive Direct Insurance Company	\$100.00	10/10/2008	23112996

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Alexa Grissom	11/03/2008	11/03/2008
Filed	Alexa Grissom	10/23/2008	10/23/2008

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Alexa Grissom	10/14/2008	10/14/2008	AR Filer	10/15/2008	10/15/2008
Pending Industry Response	Alexa Grissom	10/14/2008				

Amendments

Item	Schedule	Created By	Created On	Date Submitted
Updated Factors	Rate	AR Filer	11/03/2008	11/03/2008

<i>SERFF Tracking Number:</i>	<i>PRGS-125850736</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Progressive Direct Insurance Company</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
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<i>Project Name/Number:</i>	<i>AR Direct 200811/</i>		

Disposition

Disposition Date: 11/03/2008

Effective Date (New): 11/07/2008

Effective Date (Renewal): 12/22/2008

Status: Filed

Comment:

Company Name:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):	Overall % Indicated Change:
Progressive Direct Insurance Company	4.800%	\$343,931	8,535	\$7,816,610	%	%	7.700%

SERFF Tracking Number:	PRGS-125850736	State:	Arkansas
Filing Company:	Progressive Direct Insurance Company	State Tracking Number:	EFT \$100
Company Tracking Number:	AR DIR 200811		
TOI:	19.0 Personal Auto	Sub-TOI:	19.0001 Private Passenger Auto (PPA)
Product Name:	AR Direct 200811		
Project Name/Number:	AR Direct 200811/		

Item Type	Item Name	Item Status	Public Access
Supporting Document	A-1 Private Passenger Auto Abstract	Filed	Yes
Supporting Document	APCS-Auto Premium Comparison Survey	Filed	Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	Yes
Supporting Document	Uniform Transmittal Document-Property & Casualty	Filed	Yes
Supporting Document	Cover Letter	Filed	Yes
Supporting Document	Education Factor Support	Filed	Yes
Rate	Rates Filing	Filed	Yes
Rate	Rules Filing	Filed	Yes
Rate	Updated Factors	Filed	Yes

<i>SERFF Tracking Number:</i>	<i>PRGS-125850736</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Progressive Direct Insurance Company</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
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Disposition

Disposition Date: 10/23/2008

Effective Date (New): 11/07/2008

Effective Date (Renewal): 12/22/2008

Status: Filed

Comment:

Company Name:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):	Overall % Indicated Change:
Progressive Direct Insurance Company	4.800%	\$343,931	8,535	\$7,816,610	%	%	7.700%

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Item Type	Item Name	Item Status	Public Access
Supporting Document	A-1 Private Passenger Auto Abstract	Filed	Yes
Supporting Document	APCS-Auto Premium Comparison Survey	Filed	Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	Yes
Supporting Document	Uniform Transmittal Document-Property & Casualty	Filed	Yes
Supporting Document	Cover Letter	Filed	Yes
Supporting Document	Education Factor Support	Filed	Yes
Rate	Rates Filing	Filed	Yes
Rate	Rules Filing	Filed	Yes
Rate	Updated Factors	Filed	Yes

SERFF Tracking Number: PRGS-125850736 State: Arkansas
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TOI: 19.0 Personal Auto Sub-TOI: 19.0001 Private Passenger Auto (PPA)
Product Name: AR Direct 200811
Project Name/Number: AR Direct 200811/

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 10/14/2008

Submitted Date 10/14/2008

Respond By Date

Dear Geoff Souser,

This will acknowledge receipt of the captioned filing. Please present loss data to justify the proposed discount for level of education. Also, please review the submitted APCS to ensure it has not been altered.

Please feel free to contact me if you have questions.

Sincerely,

Alexa Grissom

Response Letter

Response Letter Status Submitted to State

Response Letter Date 10/15/2008

Submitted Date 10/15/2008

Dear Alexa Grissom,

Comments:

Response 1

Comments: Ms. Grissom,

Loss data pertaining to our education rating factors is attached. Also, we used the ACPS form available in SERFF and manually entered all data directly into the form with no alterations.

If you need any further information or clarification, please let me know.

Sincerely,

Geoffrey Souser

SERFF Tracking Number: *PRGS-125850736* *State:* *Arkansas*
Filing Company: *Progressive Direct Insurance Company* *State Tracking Number:* *EFT \$100*
Company Tracking Number: *AR DIR 200811*
TOI: *19.0 Personal Auto* *Sub-TOI:* *19.0001 Private Passenger Auto (PPA)*
Product Name: *AR Direct 200811*
Project Name/Number: *AR Direct 200811/*

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Education Factor Support

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,

AR Filer

SERFF Tracking Number: *PRGS-125850736* *State:* *Arkansas*
Filing Company: *Progressive Direct Insurance Company* *State Tracking Number:* *EFT \$100*
Company Tracking Number: *AR DIR 200811*
TOI: *19.0 Personal Auto* *Sub-TOI:* *19.0001 Private Passenger Auto (PPA)*
Product Name: *AR Direct 200811*
Project Name/Number: *AR Direct 200811/*

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 10/14/2008

Submitted Date

Respond By Date

Dear Geoff Souser,

This will acknowledge receipt of the captioned filing. Please clarify the auto/homeowners discount level on the APCS. Is it a range or one discount for HO and one for Auto?

Please feel free to contact me if you have questions.

Sincerely,

SERFF Tracking Number: PRGS-125850736 State: Arkansas
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Amendment Letter

Amendment Date:

Submitted Date: 11/03/2008

Comments:

Please see attached tables for factor updates. Thank you

Ms. Grissom,

In response to your inquiry regarding the Auto/Home discount included in the APCS, we offer a 12% discount for multi-car policies and a 3% discount for homeowners, regardless of thier insurance company. We have included both discounts on the auto/homeowners line of the spreadsheet.

Sincerely,

Geoffrey Souser

Changed Items:

Rate/Rule Schedule Item Changes:

Exhibit Name:	Rule # or Page #:	Rate Action:	Previous State Filing Numbers:	Attach Document:
Updated Factors		Replacement		New Base Rate and UW Table.pdf

SERFF Tracking Number: PRGS-125850736
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Company Tracking Number: AR DIR 200811
TOI: 19.0 Personal Auto
Product Name: AR Direct 200811
Project Name/Number: AR Direct 200811/

State: Arkansas
State Tracking Number: EFT \$100
Sub-TOI: 19.0001 Private Passenger Auto (PPA)

Rate Information

Rate data applies to filing.

Filing Method:	Prior Approval
Rate Change Type:	Increase
Overall Percentage of Last Rate Revision:	2.800%
Effective Date of Last Rate Revision:	05/02/2008
Filing Method of Last Filing:	Prior Approval

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):
Progressive Direct Insurance Company	7.700%	4.800%	\$343,931	8,535	\$7,816,610	%	%

<i>SERFF Tracking Number:</i>	<i>PRGS-125850736</i>	<i>State:</i>	<i>Arkansas</i>
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<i>Company Tracking Number:</i>	<i>AR DIR 200811</i>		
<i>TOI:</i>	<i>19.0 Personal Auto</i>	<i>Sub-TOI:</i>	<i>19.0001 Private Passenger Auto (PPA)</i>
<i>Product Name:</i>	<i>AR Direct 200811</i>		
<i>Project Name/Number:</i>	<i>AR Direct 200811/</i>		

Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	Rates Filing		Replacement	Indication Filing exhibits.pdf
Filed	Rules Filing		Replacement	Rules.pdf
Filed	Updated Factors		Replacement	New Base Rate and UW Table.pdf

Progressive Direct Insurance Company
Arkansas Private Passenger Automobile
New Business Effective Date: 11/07/2008

Introduction

The enclosed exhibits present detail and justification for the rate revision of the Progressive Direct Insurance Company in the state of Arkansas.

Table of Contents

<u>Item</u>	<u>Exhibit Number</u>
Proposed Rate Changes	1
Indication	2
Expenses	3
Loss Adjustment Expense	4
Trend	5
Current Rate Level	6
Loss Development Factors	7
Investment Income	8
Acquisition Expense	9
Factor Pages	10

Progressive Direct Insurance Company
Arkansas Private Passenger Automobile
New Business Effective Date: 11/07/2008

Proposed Rate Changes

We measured the rate changes by calculating rates for in-force policies under the current rating plans, and determined the percent change in the rate totals for each coverage.

<u>Coverage</u>	<u>Rate Change</u>
Bodily Injury	9.0%
Property Damage	4.0%
UM / UIM	6.0%
UMPD	-5.0%
Personal Injury Protection	7.5%
Comprehensive	11.0%
Collision	-1.5%
Loan	-2.1%
Rental	-2.0%
Roadside Assistance	-14.3%
ACPE	11.3%
Acquisition Expense	7.9%
Overall	4.4%

Progressive Direct Insurance Company
Arkansas Private Passenger Automobile
New Business Effective Date: 11/07/2008

Determination of Statewide Rate Level Changes

Coverage	Accident Year Ending	Earned Premium	CRL Factor	EP Trend Factor	Trended EP @ CRL	Incurred Losses	Incurred LDF	Incurred Developed Losses	LAE	Loss Trend Factor	LAE Trend Factor	Trended Loss & LAE	Ultimate Loss & LAE Ratio	Budgetary Loss & LAE Ratio	Indicated Change	Selected Weights	# of Features	SFC	Credibility Percent	Cred Wtd Indicated Change	Selected Change
BI	Jul-06	4,389,062	0.737	0.904	2,923,129	2,012,219	1.003	2,018,851	433,334	1.266	1.000	2,989,478	102.3%	82.0%	24.7%	32.3%					
	Jul-07	3,818,162	0.848	0.933	3,020,819	1,963,876	1.037	2,035,895	431,252	1.177	1.000	2,827,488	93.6%	82.0%	14.1%	34.1%					
	Jul-08	<u>3,092,329</u>	<u>1.004</u>	<u>0.964</u>	<u>2,994,367</u>	<u>1,668,893</u>	<u>1.110</u>	<u>1,852,410</u>	<u>370,330</u>	<u>1.094</u>	<u>1.000</u>	<u>2,397,100</u>	<u>80.1%</u>	<u>82.0%</u>	<u>-2.4%</u>	<u>33.5%</u>					
	TOTAL	11,299,553	0.848	0.933	8,938,315	5,644,988	1.046	5,907,157	1,234,916	1.181	1.000	8,214,066	91.9%	82.0%	12.0%		986	6,011	37.2%	9.3%	9.0%
PD	Jul-06	2,590,489	1.262	0.917	2,988,662	1,639,571	1.000	1,639,571	350,145	1.260	1.000	2,416,598	80.9%	82.0%	-1.4%	32.3%					
	Jul-07	2,972,194	1.102	0.944	3,091,489	1,957,733	1.002	1,961,598	419,723	1.172	1.000	2,717,979	87.9%	82.0%	7.2%	34.1%					
	Jul-08	<u>2,802,044</u>	<u>1.132</u>	<u>0.971</u>	<u>3,079,947</u>	<u>2,002,068</u>	<u>1.037</u>	<u>2,076,540</u>	<u>409,964</u>	<u>1.089</u>	<u>1.000</u>	<u>2,671,496</u>	<u>86.7%</u>	<u>82.0%</u>	<u>5.8%</u>	<u>33.5%</u>					
	TOTAL	8,354,727	1.162	0.944	9,160,098	5,599,372	1.014	5,677,709	1,179,732	1.167	1.000	7,806,073	85.2%	82.0%	4.0%		1,980	2,637	86.7%	4.3%	4.0%
UM/UIM	Jul-06	454,577	0.983	0.903	403,459	298,445	0.974	290,766	37,582	1.266	1.000	405,732	100.6%	82.0%	22.6%	32.3%					
	Jul-07	494,226	0.859	0.933	395,899	101,303	0.928	94,046	14,525	1.177	1.000	125,217	31.6%	82.0%	-61.4%	34.1%					
	Jul-08	<u>432,856</u>	<u>0.907</u>	<u>0.964</u>	<u>378,706</u>	<u>281,821</u>	<u>1.150</u>	<u>324,060</u>	<u>37,961</u>	<u>1.094</u>	<u>1.000</u>	<u>392,523</u>	<u>103.6%</u>	<u>82.0%</u>	<u>26.4%</u>	<u>33.5%</u>					
	TOTAL	1,381,659	0.915	0.932	1,178,064	681,569	1.040	708,872	90,069	1.176	1.000	923,473	78.1%	82.0%	-4.8%		98	6,080	12.7%	6.0%	6.0%
UMPD	Jul-06	402,642	1.001	1.103	444,545	300,957	1.000	300,957	51,681	1.182	1.000	407,285	91.6%	82.0%	11.7%	32.3%					
	Jul-07	510,910	0.905	1.073	496,449	221,090	0.999	220,894	39,973	1.114	1.000	286,047	57.6%	82.0%	-29.7%	34.1%					
	Jul-08	<u>549,902</u>	<u>0.859</u>	<u>1.044</u>	<u>493,362</u>	<u>277,025</u>	<u>0.989</u>	<u>274,035</u>	<u>43,280</u>	<u>1.050</u>	<u>1.000</u>	<u>331,090</u>	<u>67.1%</u>	<u>82.0%</u>	<u>-18.2%</u>	<u>33.5%</u>					
	TOTAL	1,463,454	0.914	1.072	1,434,355	799,072	0.996	795,886	134,934	1.118	1.000	1,024,422	71.8%	82.0%	-12.4%		383	3,154	34.8%	-5.0%	-5.0%
PIP	Jul-06	644,194	1.031	0.748	496,658	333,563	0.979	326,559	54,987	1.228	1.000	456,081	91.8%	82.0%	12.0%	32.3%					
	Jul-07	461,741	1.121	0.820	424,256	256,388	0.965	247,398	42,218	1.147	1.000	325,979	76.8%	82.0%	-6.3%	34.1%					
	Jul-08	<u>364,240</u>	<u>1.168</u>	<u>0.898</u>	<u>382,310</u>	<u>300,112</u>	<u>0.907</u>	<u>242,067</u>	<u>36,965</u>	<u>1.071</u>	<u>1.000</u>	<u>296,242</u>	<u>77.5%</u>	<u>82.0%</u>	<u>-5.5%</u>	<u>33.5%</u>					
	TOTAL	1,470,175	1.093	0.811	1,303,224	890,063	0.917	816,024	134,170	1.157	1.000	1,078,302	81.9%	82.0%	-0.1%		279	5,519	22.5%	7.8%	7.5%
COMP	Jul-06	1,135,719	1.106	0.996	1,250,714	992,788	1.000	992,788	236,898	0.938	1.000	1,167,801	93.4%	80.1%	16.6%	32.3%					
	Jul-07	1,360,525	0.932	1.000	1,267,835	964,898	1.000	964,898	196,653	0.969	1.000	1,132,023	89.3%	80.1%	11.5%	34.1%					
	Jul-08	<u>1,343,839</u>	<u>0.889</u>	<u>1.003</u>	<u>1,198,030</u>	<u>1,002,710</u>	<u>1.003</u>	<u>1,005,922</u>	<u>295,889</u>	<u>1.002</u>	<u>1.000</u>	<u>1,304,027</u>	<u>108.8%</u>	<u>80.1%</u>	<u>36.0%</u>	<u>33.5%</u>					
	TOTAL	3,840,083	0.968	1.000	3,716,579	2,960,395	1.001	2,963,608	729,440	0.970	1.000	3,603,851	97.2%	80.1%	21.4%		1,814	6,127	54.4%	12.3%	11.0%
COLL	Jul-06	3,768,693	1.103	1.103	4,583,459	2,648,594	1.000	2,648,594	541,419	1.182	1.000	3,670,936	80.1%	80.1%	0.1%	32.3%					
	Jul-07	4,055,366	1.063	1.073	4,626,504	2,868,325	1.000	2,868,325	593,830	1.114	1.000	3,789,113	81.9%	80.1%	2.3%	34.1%					
	Jul-08	<u>4,061,124</u>	<u>1.029</u>	<u>1.044</u>	<u>4,362,056</u>	<u>2,629,716</u>	<u>0.967</u>	<u>2,543,004</u>	<u>486,299</u>	<u>1.050</u>	<u>1.000</u>	<u>3,157,134</u>	<u>72.4%</u>	<u>80.1%</u>	<u>-9.6%</u>	<u>33.5%</u>					
	TOTAL	11,885,183	1.064	1.073	13,572,020	8,146,635	0.989	8,059,923	1,621,548	1.116	1.000	10,617,184	78.1%	80.1%	-2.4%		1,940	2,966	80.9%	-2.1%	-1.5%
ACQUISITION EXPENSE LOAD	Jul-06	1,906,342																			
	Jul-07	2,165,203																			
	Jul-08	<u>2,273,747</u>																			
	TOTAL	6,345,292	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	29.7%	7.9%
TOTAL	Jul-06	15,568,224																			
	Jul-07	16,107,646																			
	Jul-08	<u>15,136,930</u>																			
	TOTAL	46,812,800	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7.7%	4.4%

* Total includes Roadside, ACPE, Rent and Loan

Progressive Direct Insurance Company
Arkansas Private Passenger Automobile
New Business Effective Date: 11/07/2008

Expenses

<u>Expense Category</u>	<u>Liability % of Written Premium</u>	<u>Physical Damage % of Written Premium</u>
Operating Expense	7.43%	7.43%
Product & Pricing Expense	0.58%	0.58%
Taxes, Licenses, and Fees	5.94%	5.94%
Revenue Adjustments	1.30%	1.30%
Profit	5.00%	5.00%
Investment Income	2.25%	0.30%
Total Budgeted Expenses	18.00%	19.95%
Budgetary Loss and LAE Ratio	82.0%	80.1%

*Advertising and call center expenses are considered separately.

Progressive Direct Insurance Company
Arkansas Private Passenger Automobile
New Business Effective Date: 11/07/2008

Loss Adjustment Expense

Coverage	Accident			
	Year Ending	DCC	A&O	TOTAL LAE
BI	Jul-06	70,635	363,983	434,619
	Jul-07	61,059	371,043	432,102
	Jul-08	62,742	307,912	370,654
PD	Jul-06	2,301	349,162	351,463
	Jul-07	2,748	417,848	420,596
	Jul-08	2,086	408,110	410,196
UM/UIM	Jul-06	0	37,760	37,760
	Jul-07	83	14,554	14,637
	Jul-08	0	38,002	38,002
UMPD	Jul-06	564	51,657	52,221
	Jul-07	671	39,707	40,377
	Jul-08	640	42,667	43,308
PIP	Jul-06	1,058	54,143	55,201
	Jul-07	487	41,845	42,333
	Jul-08	379	36,628	37,008
COMP	Jul-06	1,291	236,164	237,455
	Jul-07	1,305	195,713	197,018
	Jul-08	2,332	293,684	296,016
COLL	Jul-06	6,138	537,345	543,483
	Jul-07	5,524	589,665	595,189
	Jul-08	1,375	485,380	486,755
Total	Jul-06	81,987	1,660,303	1,742,289
	Jul-07	71,959	1,696,755	1,768,715
	Jul-08	69,554	1,634,919	1,704,473

* Total includes Roadside, ACPE, Rent and Loan

Progressive Direct Insurance Company
Arkansas Private Passenger Automobile
New Business Effective Date: 11/07/2008

DETERMINATION OF GENERAL TRENDS

The selected annual trend percentages for individual coverage severity and frequency were determined by examining NAII Fast Track data through 03/31/2008 and Progressive 12-month moving average data through 07/31/2008.
Actuarial judgment was used to make the selects.

NET TREND = SEVERITY TREND FACTOR * FREQUENCY TREND FACTOR / EARNED PREMIUM@CRL -1

Coverage	Progressive 3 Year Annualized Trend	Progressive 2 Year Annualized Trend	Progressive 1 Year Annualized Trend	Historic to Present Trend Selected	Present to Future Avg Date of Loss Selected
BI	1.9%	13.7%	9.3%	11.2%	7.7%
PD	7.9%	11.7%	8.7%	10.7%	6.6%
UM/UIIM	-30.9%	-8.2%	25.6%	11.2%	7.7%
UMPD	N/A	N/A	N/A	3.2%	-1.0%
PIP	5.1%	29.8%	23.8%	17.4%	10.1%
COMP	-2.4%	-4.0%	34.6%	-2.9%	1.4%
COLL	2.8%	3.5%	-8.3%	3.2%	-1.0%

TREND - LOSS SEVERITY

Coverage	NAII 2 Year Quarterly Severity Regressed %	Progressive 3 Year Annualized Trend	Progressive 2 Year Annualized Trend	Progressive 1 Year Annualized Trend	Historic to Present Trend Selected	Present to Future Avg Date of Loss Selected
BI	-2.1%	3.4%	8.2%	5.2%	6.0%	5.0%
PD	2.1%	8.0%	6.7%	10.0%	6.0%	4.0%
UM/UIIM	N/A	-21.9%	-10.5%	20.1%	6.0%	5.0%
UMPD	N/A	N/A	N/A	N/A	4.0%	2.5%
PIP	N/A	6.0%	10.4%	6.1%	5.0%	2.5%
COMP	-5.4%	6.0%	7.6%	40.4%	4.0%	4.0%
COLL	1.7%	3.0%	4.9%	3.3%	4.0%	2.5%

TREND - LOSS FREQUENCY

Coverage	NAII 2 Year Quarterly Frequency Regressed %	Progressive 3 Year Annualized Trend	Progressive 2 Year Annualized Trend	Progressive 1 Year Annualized Trend	Historic to Present Trend Selected	Present to Future Avg Date of Loss Selected
BI	-3.5%	-4.1%	1.5%	2.8%	1.5%	0.5%
PD	-0.2%	-1.5%	3.4%	-0.5%	1.5%	1.0%
UM/UIIM	N/A	-14.1%	-1.6%	2.7%	1.5%	0.5%
UMPD	N/A	N/A	N/A	N/A	2.0%	-0.5%
PIP	N/A	-8.6%	10.3%	11.2%	2.0%	1.0%
COMP	-20.8%	-7.1%	-9.3%	-2.1%	-7.0%	-2.0%
COLL	0.9%	4.3%	4.5%	-5.7%	2.0%	-0.5%

TREND - EARNED PREMIUM@CRL

Coverage	Progressive 3 Year Annualized Trend	Progressive 2 Year Annualized Trend	Progressive 1 Year Annualized Trend	Historic to Present Trend Selected	Present to Future Avg Date of Loss Selected
BI	-2.6%	-3.4%	-1.1%	-3.2%	-2.0%
PD	-1.5%	-1.3%	0.7%	-2.8%	-1.5%
UM/UIIM	-2.9%	-4.1%	-1.7%	-3.2%	-2.0%
UMPD	8.9%	8.0%	6.1%	2.8%	3.0%
PIP	-7.8%	-6.2%	-4.7%	-8.8%	-6.0%
COMP	0.8%	1.7%	2.1%	-0.4%	0.5%
COLL	4.5%	6.0%	6.2%	2.8%	3.0%

Progressive Direct Insurance Company
Arkansas Private Passenger Automobile
New Business Effective Date: 11/07/2008

TREND PERIOD

Accident Year Ending	Midpoint of Accident Year	Average Effective Date of Rate Revision	Duration between Rate Revisions	Policy Term	Trend-to-Date * (Future Avg Date of Loss)
Jul-06	Jan-06	Dec-08	9	6	29-Jul-09
Jul-07	Jan-07	Dec-08	9	6	29-Jul-09
Jul-08	Jan-08	Dec-08	9	6	29-Jul-09

Historic Months in Span**	Historic Trend Period	Future Months in Span***	Future Trend Period
30	2.5	11.91	0.99
18	1.5	11.91	0.99
6	0.5	11.91	0.99

* Effective Date + 1/2 (Projected Duration) + 1/2 (Policy Term)

** Number of months between Midpoint of Accident Year (Average Date of Loss) and the Present-Trend-to-Date

*** Number of months between Present-Trend-to-Date and the Future-Trend-to-Date (Future Average Date of Loss)

Projection Period is calculated by taking the Months in Trend and dividing by 12 to annualize the period.

LOSS TREND FACTORS

Coverage	AY Ending Jul-06	AY Ending Jul-07	AY Ending Jul-08
BI	1.266	1.177	1.094
PD	1.260	1.172	1.089
UM/UIIM	1.266	1.177	1.094
UMPD	1.182	1.114	1.050
PIP	1.228	1.147	1.071
COMP	0.938	0.969	1.002
COLL	1.182	1.114	1.050

Trend Factor Calculation: One plus the historic to present trend percentage, raised to the historic trend period, multiplied by one plus the present to future trend percentage to the future trend period.

EARNED PREMIUM TREND FACTORS

Coverage	AY Ending Jul-06	AY Ending Jul-07	AY Ending Jul-08
BI	0.904	0.933	0.964
PD	0.917	0.944	0.971
UM/UIIM	0.903	0.933	0.964
UMPD	1.103	1.073	1.044
PIP	0.748	0.820	0.898
COMP	0.996	1.000	1.003
COLL	1.103	1.073	1.044

TREND - LOSS TREND

Coverage	NAII 2 Year Quarterly Pure Premium Regressed %	Progressive 3 Year Annualized Trend	Progressive 2 Year Annualized Trend	Progressive 1 Year Annualized Trend	Historic to Present Trend Selected	Present to Future Avg Date of Loss Selected
BI	-5.6%	-0.8%	9.8%	8.1%	7.6%	5.5%
PD	1.9%	6.3%	10.3%	9.5%	7.6%	5.0%
UM/UIIM	N/A	-32.9%	-12.0%	23.4%	7.6%	5.5%
UMPD	N/A	N/A	N/A	N/A	6.1%	2.0%
PIP	N/A	-3.0%	21.8%	18.0%	7.1%	3.5%
COMP	-25.1%	-1.6%	-2.4%	37.4%	-3.3%	1.9%
COLL	2.6%	7.4%	9.7%	-2.6%	6.1%	2.0%

Monthly Rate Factor History

[illegible]

Progressive Direct Insurance Company
Arkansas Private Passenger Automobile
New Business Effective Date: 11/07/2008

Loss Development as of July 31, 2008 - Bodily Injury

Incurred Loss Development

Accident Semester	AGE OF DEVELOPMENT													
	1 Sem	2 Sem	3 Sem	4 Sem	5 Sem	6 Sem	7 Sem	8 Sem	9 Sem	10 Sem	11 Sem	12 Sem	13 Sem	14 Sem
Jan-02	474,402	414,752	368,110	401,361	409,389	390,009	407,794	407,764	407,764	407,764	407,764	407,764	407,764	407,764
Jul-02	491,620	547,361	542,687	536,896	549,329	541,161	597,032	566,330	528,096	528,096	528,096	528,096	528,096	528,096
Jan-03	521,191	467,676	465,329	488,582	495,877	502,459	477,444	477,444	477,444	477,444	477,444	477,444	477,444	477,444
Jul-03	686,346	494,029	528,924	546,425	557,443	555,179	554,664	555,449	554,867	555,272	589,137			
Jan-04	785,598	642,151	772,369	788,567	682,213	677,258	698,836	704,907	704,907					
Jul-04	711,256	817,773	749,430	775,946	775,707	750,264	766,402	805,764	805,764					
Jan-05	826,604	730,011	659,127	629,879	623,127	622,836	623,038	619,698						
Jul-05	987,182	993,999	995,590	913,674	979,445	929,140								
Jan-06	937,591	993,610	1,024,173	1,020,590	1,054,047	1,041,344								
Jul-06	905,950	834,170	888,710	858,005	970,875									
Jan-07	679,444	715,268	701,493	705,460										
Jul-07	989,749	1,274,274	1,258,416											
Jan-08	807,079	960,978												
Jul-08	707,915													

AGE - TO - AGE DEVELOPMENT FACTORS

Accident Semester	1 to 2	2 to 3	3 to 4	4 to 5	5 to 6	6 to 7	7 to 8	8 to 9	9 to 10	10 to 11	11 to 12	12 to 13	13 to 14
Jan-02	0.874	0.888	1.090	1.020	0.953	1.046	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Jul-02	1.113	0.991	0.989	1.023	0.985	1.103	0.949	0.932	1.000	1.000	1.000	1.000	
Jan-03	0.897	0.995	1.050	1.015	1.013	0.950	1.000	1.000	1.000	1.000	1.000		
Jul-03	0.720	1.071	1.033	1.020	0.996	0.999	1.001	0.999	1.001	1.061			
Jan-04	0.817	1.203	1.021	0.865	0.993	1.032	1.009	1.000	1.000				
Jul-04	1.150	0.916	1.035	1.000	0.967	1.022	1.051	1.000					
Jan-05	0.883	0.903	0.956	0.989	1.000	1.000	0.995						
Jul-05	1.007	1.002	0.918	1.072	0.949	0.958							
Jan-06	1.060	1.031	0.997	1.033	0.988								
Jul-06	0.921	1.065	0.965	1.132									
Jan-07	1.053	0.981	1.006										
Jul-07	1.287	0.988											
Jan-08	1.191												
Average	1.008	1.003	0.996	1.020	0.981	1.009	1.003	0.989	1.000	1.017	1.000	1.000	1.000
Avg Last 4	1.113	1.016	0.971	1.056	0.976	1.003	1.014	1.000	1.000	1.015	1.000	1.000	1.000
Selected	1.160	1.010	0.980	1.060	0.976	1.010	1.005	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	1.206	1.039	1.029	1.050	0.991	1.015	1.005	1.000	1.000	1.000	1.000	1.000	1.000

ACCIDENT YEAR ENDING	Jul-08	Jul-07	Jul-06	TOTAL
INCURRED LOSSES	1,668,893	1,963,876	2,012,219	5,644,988
DEVELOPMENT FACTOR	1.110	1.037	1.003	1.046
DEVELOPED LOSSES	1,852,410	2,035,895	2,018,851	5,907,157

Progressive Direct Insurance Company
Arkansas Private Passenger Automobile
New Business Effective Date: 11/07/2008

Loss Development as of July 31, 2008 - Property Damage

AGE OF DEVELOPMENT

Incurred Loss Development

Accident Semester	1 Sem	2 Sem	3 Sem	4 Sem	5 Sem	6 Sem	7 Sem	8 Sem	9 Sem	10 Sem	11 Sem	12 Sem	13 Sem	14 Sem
Jan-02	381,255	414,465	414,573	414,573	414,573	414,573	414,573	414,573	414,573	414,573	414,573	414,573	414,573	414,573
Jul-02	394,061	439,725	459,016	459,016	459,016	461,575	459,016	459,016	459,016	459,016	459,016	459,016	459,016	459,016
Jan-03	433,025	450,395	449,678	449,178	449,178	449,178	449,178	449,178	449,178	449,178	449,178	449,178	449,178	
Jul-03	391,622	417,021	415,277	416,686	416,883	416,903	416,789	416,772	416,751	414,127	414,127			
Jan-04	597,366	655,731	666,574	667,048	667,048	667,048	669,942	667,298	667,298	667,298				
Jul-04	550,352	623,162	627,770	625,950	625,950	628,594	627,450	627,450	627,450					
Jan-05	740,400	757,051	763,303	764,659	766,445	766,372	766,372	766,361						
Jul-05	819,040	829,993	840,560	847,922	847,876	848,833	851,489							
Jan-06	778,192	828,263	841,695	842,775	843,026	843,526								
Jul-06	764,697	785,158	791,757	796,045	796,045									
Jan-07	939,696	957,371	991,481	991,481										
Jul-07	974,262	964,351	966,252											
Jan-08	916,161	1,087,638												
Jul-08	914,430													

AGE - TO - AGE DEVELOPMENT FACTORS

Accident Semester	1 to 2	2 to 3	3 to 4	4 to 5	5 to 6	6 to 7	7 to 8	8 to 9	9 to 10	10 to 11	11 to 12	12 to 13	13 to 14
Jan-02	1.087	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Jul-02	1.116	1.044	1.000	1.000	1.006	0.994	1.000	1.000	1.000	1.000	1.000	1.000	
Jan-03	1.040	0.998	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
Jul-03	1.065	0.996	1.003	1.000	1.000	1.000	1.000	1.000	0.994	1.000			
Jan-04	1.098	1.017	1.001	1.000	1.000	1.004	0.996	1.000	1.000				
Jul-04	1.132	1.007	0.997	1.000	1.004	0.998	1.000	1.000					
Jan-05	1.022	1.008	1.002	1.002	1.000	1.000	1.000						
Jul-05	1.013	1.013	1.009	1.000	1.001	1.003							
Jan-06	1.064	1.016	1.001	1.000	1.001								
Jul-06	1.027	1.008	1.005	1.000									
Jan-07	1.019	1.036	1.000										
Jul-07	0.990	1.002											
Jan-08	1.187												
Average	1.061	1.013	1.002	1.000	1.001	1.000	0.999	1.000	0.999	1.000	1.000	1.000	1.000
Avg Last 4	1.056	1.016	1.004	1.001	1.001	1.001	0.999	1.000	0.998	1.000	1.000	1.000	1.000
Selected	1.050	1.010	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	1.065	1.014	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
ACCIDENT YEAR ENDING			Jul-08	Jul-07	Jul-06	TOTAL							
INCURRED LOSSES			2,002,068	1,957,733	1,639,571	5,599,372							
DEVELOPMENT FACTOR			1.037	1.002	1.000	1.014							
DEVELOPED LOSSES			2,076,540	1,961,598	1,639,571	5,677,709							

Progressive Direct Insurance Company
Arkansas Private Passenger Automobile
New Business Effective Date: 11/07/2008

Loss Development as of July 31, 2008 - Comprehensive

Incurred Loss Development

Accident Semester	AGE OF DEVELOPMENT													
	1 Sem	2 Sem	3 Sem	4 Sem	5 Sem	6 Sem	7 Sem	8 Sem	9 Sem	10 Sem	11 Sem	12 Sem	13 Sem	14 Sem
Jan-02	139,868	139,317	139,317	139,599	139,939	139,939	139,939	140,184	140,184	140,184	140,184	140,184	140,184	140,184
Jul-02	286,720	290,926	291,258	291,038	290,258	290,258	290,258	290,258	290,258	290,258	290,258	290,258	290,258	290,258
Jan-03	157,383	158,750	159,745	160,700	160,700	160,700	160,700	160,700	160,700	160,700	160,700	160,700	160,700	160,700
Jul-03	273,048	275,427	275,343	274,543	277,495	277,495	277,495	277,495	277,495	277,495	277,495	277,495	277,495	277,495
Jan-04	210,137	288,811	279,311	279,370	279,370	279,370	279,370	279,370	279,370	279,370	279,370	279,370	279,370	279,370
Jul-04	392,303	400,130	378,081	378,241	378,423	378,423	378,473	378,473	378,473	378,473	378,473	378,473	378,473	378,473
Jan-05	390,401	408,250	411,258	411,426	411,426	411,426	411,426	411,426	411,426	411,426	411,426	411,426	411,426	411,426
Jul-05	329,439	345,198	346,010	346,274	346,274	346,274	346,274	346,274	346,274	346,274	346,274	346,274	346,274	346,274
Jan-06	468,902	459,168	457,860	457,860	482,413	481,983	481,983	481,983	481,983	481,983	481,983	481,983	481,983	481,983
Jul-06	599,083	614,028	611,375	614,275	614,635	614,635	614,635	614,635	614,635	614,635	614,635	614,635	614,635	614,635
Jan-07	457,349	447,647	447,131	447,131	447,131	447,131	447,131	447,131	447,131	447,131	447,131	447,131	447,131	447,131
Jul-07	390,434	386,951	386,448	386,448	386,448	386,448	386,448	386,448	386,448	386,448	386,448	386,448	386,448	386,448
Jan-08	361,049	369,888	369,888	369,888	369,888	369,888	369,888	369,888	369,888	369,888	369,888	369,888	369,888	369,888
Jul-08	1,071,605	1,071,605	1,071,605	1,071,605	1,071,605	1,071,605	1,071,605	1,071,605	1,071,605	1,071,605	1,071,605	1,071,605	1,071,605	1,071,605

AGE - TO - AGE DEVELOPMENT FACTORS

Accident Semester	1 to 2	2 to 3	3 to 4	4 to 5	5 to 6	6 to 7	7 to 8	8 to 9	9 to 10	10 to 11	11 to 12	12 to 13	13 to 14
Jan-02	0.996	1.000	1.002	1.002	1.000	1.000	1.002	1.000	1.000	1.000	1.000	1.000	1.000
Jul-02	1.015	1.001	0.999	0.997	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Jan-03	1.009	1.006	1.006	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Jul-03	1.009	1.000	0.997	1.011	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Jan-04	1.374	0.967	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Jul-04	1.020	0.945	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Jan-05	1.046	1.007	1.000	1.000	1.000	1.000	1.001	1.001	1.001	1.001	1.001	1.001	1.001
Jul-05	1.048	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Jan-06	0.979	0.997	1.000	1.054	0.999	0.999	0.999	0.999	0.999	0.999	0.999	0.999	0.999
Jul-06	1.025	0.996	1.005	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001	1.001
Jan-07	0.979	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Jul-07	0.991	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Jan-08	1.024	1.024	1.024	1.024	1.024	1.024	1.024	1.024	1.024	1.024	1.024	1.024	1.024
Average	1.029	0.993	1.001	1.008	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Avg Last 4	1.005	0.998	1.001	1.014	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.005	0.998	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	1.003	0.998	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
ACCIDENT YEAR ENDING													
INCURRED LOSSES			Jul-08	Jul-07	Jul-06								
DEVELOPMENT FACTOR			1,002,710	964,898	992,788								
DEVELOPED LOSSES			1,003	1,000	1,001								
			1,005,922	964,898	992,788								

Progressive Direct Insurance Company
Arkansas Private Passenger Automobile
New Business Effective Date: 11/07/2008

Loss Development as of July 31, 2008 - Collision

AGE OF DEVELOPMENT

Incurred Loss Development

Accident Semester	1 Sem	2 Sem	3 Sem	4 Sem	5 Sem	6 Sem	7 Sem	8 Sem	9 Sem	10 Sem	11 Sem	12 Sem	13 Sem	14 Sem
Jan-02	533,661	537,442	537,439	537,782	536,529	536,070	536,077	536,374	536,374	536,374	536,374	536,374	536,374	536,374
Jul-02	650,810	644,961	643,719	643,410	643,410	643,306	643,201	643,048	642,956	638,286	638,147	638,102	638,083	
Jan-03	772,902	793,020	787,034	786,899	786,899	786,899	786,899	786,899	786,899	786,899	786,899	786,899		
Jul-03	684,340	657,210	646,541	642,824	642,683	644,109	644,109	644,109	644,109	644,109	644,109			
Jan-04	968,341	971,808	955,366	952,404	952,007	951,633	951,233	948,634	948,151	947,725				
Jul-04	1,108,728	1,101,530	1,100,141	1,096,402	1,096,402	1,081,632	1,081,632	1,081,632	1,081,632					
Jan-05	1,134,772	1,040,884	1,040,943	1,030,004	1,030,245	1,030,245	1,029,392	1,029,392						
Jul-05	1,038,980	985,918	958,473	957,839	957,631	957,514								
Jan-06	1,633,924	1,541,547	1,510,353	1,510,353	1,510,353	1,510,353								
Jul-06	1,281,558	1,148,560	1,137,927	1,138,241	1,138,241									
Jan-07	1,404,499	1,344,818	1,328,347	1,325,571										
Jul-07	1,616,305	1,530,484	1,542,754											
Jan-08	1,486,186	1,426,004												
Jul-08	1,203,712													

AGE - TO - AGE DEVELOPMENT FACTORS

Accident Semester	1 to 2	2 to 3	3 to 4	4 to 5	5 to 6	6 to 7	7 to 8	8 to 9	9 to 10	10 to 11	11 to 12	12 to 13	13 to 14
Jan-02	1.007	1.000	1.001	0.998	0.999	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000
Jul-02	0.991	0.998	1.000	1.000	1.000	1.000	1.000	1.000	0.993	1.000	1.000	1.000	
Jan-03	1.026	0.992	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
Jul-03	0.960	0.984	0.994	1.000	1.002	1.000	1.000	1.000	1.000	1.000			
Jan-04	1.004	0.983	0.997	1.000	1.000	1.000	0.997	0.999	1.000				
Jul-04	0.994	0.999	0.997	1.000	0.987	1.000	1.000	1.000					
Jan-05	0.917	1.000	0.989	1.000	1.000	0.999	1.000						
Jul-05	0.949	0.972	0.999	1.000	1.000	1.000							
Jan-06	0.943	0.980	1.000	1.000	1.000								
Jul-06	0.896	0.991	1.000	1.000									
Jan-07	0.958	0.988	0.998										
Jul-07	0.947	1.008											
Jan-08	0.960												
Average	0.959	0.991	0.998	1.000	0.998	1.000	1.000	1.000	0.999	1.000	1.000	1.000	1.000
Avg Last 4	0.940	0.992	0.999	1.000	0.997	1.000	0.999	1.000	0.998	1.000	1.000	1.000	1.000
Selected	0.945	0.992	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	0.937	0.992	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
ACCIDENT YEAR ENDING			Jul-08	Jul-07	Jul-06								
INCURRED LOSSES			2,629,716	2,868,325	2,648,594			8,146,635					
DEVELOPMENT FACTOR			0.967	1.000	1.000			0.989					
DEVELOPED LOSSES			2,543,004	2,868,325	2,648,594			8,059,923					

Progressive Direct Insurance Company
Arkansas Private Passenger Automobile
New Business Effective Date: 11/07/2008

Loss Development as of July 31, 2008 - Personal Injury Protection

Incurred Loss Development

Accident Semester	AGE OF DEVELOPMENT													
	1 Sem	2 Sem	3 Sem	4 Sem	5 Sem	6 Sem	7 Sem	8 Sem	9 Sem	10 Sem	11 Sem	12 Sem	13 Sem	14 Sem
Jan-02	108,251	84,774	90,411	91,785	93,722	93,722	93,722	93,722	93,722	93,722	93,722	93,722	93,722	93,722
Jul-02	104,546	87,509	78,456	74,941	74,941	74,889	71,451	71,371	71,371	71,371	71,344	71,315	71,296	
Jan-03	115,841	117,857	102,473	102,473	102,473	102,473	102,473	102,473	102,473	102,473	102,473	102,473		
Jul-03	145,064	138,157	125,680	125,680	125,680	124,180	116,310	116,310	116,310	116,310	116,310			
Jan-04	168,369	167,457	162,550	141,914	141,620	134,944	133,137	132,695	129,005	128,423				
Jul-04	216,738	151,830	150,625	145,326	145,326	144,443	144,443	144,437	144,425					
Jan-05	223,471	161,187	152,959	143,213	140,847	135,988	129,072	129,072						
Jul-05	291,751	214,918	213,040	210,581	206,356	205,666	205,666							
Jan-06	236,850	201,695	180,635	178,160	179,546	179,546								
Jul-06	207,050	159,779	154,027	154,017	154,017									
Jan-07	111,367	83,214	77,739	77,739										
Jul-07	237,098	177,375	178,649											
Jan-08	160,529	131,699												
Jul-08	168,413													

AGE - TO - AGE DEVELOPMENT FACTORS

Accident Semester	1 to 2	2 to 3	3 to 4	4 to 5	5 to 6	6 to 7	7 to 8	8 to 9	9 to 10	10 to 11	11 to 12	12 to 13	13 to 14
Jan-02	0.783	1.066	1.015	1.021	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Jul-02	0.837	0.897	0.955	1.000	0.999	0.954	0.999	1.000	1.000	1.000	1.000	1.000	
Jan-03	1.017	0.869	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
Jul-03	0.952	0.910	1.000	1.000	0.988	0.937	1.000	1.000	1.000	1.000			
Jan-04	0.995	0.971	0.873	0.998	0.953	0.987	0.997	0.972	0.995				
Jul-04	0.701	0.992	0.965	1.000	0.994	1.000	1.000	1.000					
Jan-05	0.721	0.949	0.936	0.983	0.966	0.949	1.000						
Jul-05	0.737	0.991	0.988	0.980	0.997	1.000							
Jan-06	0.852	0.896	0.986	1.008	1.000								
Jul-06	0.772	0.964	1.000	1.000									
Jan-07	0.747	0.934	1.000										
Jul-07	0.748	1.007											
Jan-08	0.820												
Average	0.807	0.955	0.971	0.997	0.988	0.980	0.999	0.994	0.999	1.000	1.000	1.000	1.000
Avg Last 4	0.772	0.950	0.994	0.993	0.989	0.984	0.999	0.993	0.999	1.000	1.000	1.000	1.000
Selected	0.772	0.960	0.995	0.995	0.989	0.984	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	0.714	0.925	0.963	0.968	0.973	0.984	1.000	1.000	1.000	1.000	1.000	1.000	1.000
ACCIDENT YEAR ENDING			Jul-08	Jul-07	Jul-06		TOTAL						
INCURRED LOSSES			300,112	256,388	333,563		890,063						
DEVELOPMENT FACTOR			0.807	0.965	0.979		0.917						
DEVELOPED LOSSES			242,067	247,398	326,559		816,024						

Progressive Direct Insurance Company
Arkansas Private Passenger Automobile
New Business Effective Date: 11/07/2008

Loss Development as of July 31, 2008 - Uninsured Motorists Bodily Injury/ Underinsured Motorists

Incurred Loss Development

Accident Semester	AGE OF DEVELOPMENT													
	1 Sem	2 Sem	3 Sem	4 Sem	5 Sem	6 Sem	7 Sem	8 Sem	9 Sem	10 Sem	11 Sem	12 Sem	13 Sem	14 Sem
Jan-02	33,071	28,420	28,420	28,420	28,420	28,420	53,420	53,420	53,420	53,420	53,420	53,420	53,420	53,420
Jul-02	64,926	49,556	79,389	92,354	92,867	85,819	85,715	85,715	85,676	85,676	85,676	85,676	85,676	85,657
Jan-03	22,219	24,176	26,294	39,187	55,264	55,264	55,264	55,264	55,264	55,264	55,264	55,264	55,264	
Jul-03	0	123,022	122,573	173,963	161,350	176,560	186,350	186,350	186,350	186,350	186,350			
Jan-04	149,881	135,109	161,676	152,966	152,868	152,771	152,673	152,567	152,481	152,340				
Jul-04	20,925	39,411	95,038	108,497	114,769	114,365	96,710	96,705	96,693					
Jan-05	60,651	164,223	247,881	208,562	208,562	221,799	215,501	215,193						
Jul-05	169,195	224,034	243,187	246,821	224,782	224,714	224,406							
Jan-06	88,083	95,373	96,552	92,883	178,045	167,068								
Jul-06	65,927	78,945	136,966	136,907	131,377									
Jan-07	56,932	67,911	54,068	42,162										
Jul-07	47,434	50,992	59,141											
Jan-08	172,611	178,904												
Jul-08	102,917													

AGE - TO - AGE DEVELOPMENT FACTORS

Accident Semester	1 to 2	2 to 3	3 to 4	4 to 5	5 to 6	6 to 7	7 to 8	8 to 9	9 to 10	10 to 11	11 to 12	12 to 13	13 to 14
Jan-02	0.859	1.000	1.000	1.000	1.000	1.880	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Jul-02	0.763	1.602	1.163	1.006	0.924	0.999	1.000	1.000	1.000	1.000	1.000	1.000	
Jan-03	1.088	1.088	1.490	1.410	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
Jul-03		0.996	1.419	0.927	1.094	1.055	1.000	1.000	1.000	1.000			
Jan-04	0.901	1.197	0.946	0.999	0.999	0.999	0.999	0.999	0.999				
Jul-04	1.883	2.411	1.142	1.058	0.996	0.846	1.000	1.000					
Jan-05	2.708	1.509	0.841	1.000	1.063	0.972	0.999						
Jul-05	1.324	1.085	1.015	0.911	1.000	0.999							
Jan-06	1.083	1.012	0.962	1.917	0.938								
Jul-06	1.197	1.735	1.000	0.960									
Jan-07	1.193	0.796	0.780										
Jul-07	1.075	1.160											
Jan-08	1.036												
Average	1.324	1.250	1.024	1.053	1.008	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Avg Last 4	1.125	1.176	0.939	1.197	0.999	0.954	0.999	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.125	1.216	0.940	0.982	1.010	0.970	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	1.237	1.100	0.904	0.962	0.980	0.970	1.000	1.000	1.000	1.000	1.000	1.000	1.000
ACCIDENT YEAR ENDING			Jul-08	Jul-07	Jul-06	TOTAL							
INCURRED LOSSES			281,821	101,303	298,445	681,569							
DEVELOPMENT FACTOR			1.150	0.928	0.974	1.040							
DEVELOPED LOSSES			324,060	94,046	290,766	708,872							

Progressive Direct Insurance Company
Arkansas Private Passenger Automobile
New Business Effective Date: 11/07/2008

Loss Development as of July 31, 2008 - Uninsured Motorists Property Damage

Incurred Loss Development

Accident Semester	AGE OF DEVELOPMENT													
	1 Sem	2 Sem	3 Sem	4 Sem	5 Sem	6 Sem	7 Sem	8 Sem	9 Sem	10 Sem	11 Sem	12 Sem	13 Sem	14 Sem
Jan-02	17,306	18,241	18,754	18,075	18,075	18,075	18,075	18,075	18,075	18,075	18,075	18,075	18,075	18,075
Jul-02	27,319	28,194	28,044	28,044	28,044	28,044	28,044	28,044	28,044	28,044	28,044	28,044	28,044	28,044
Jan-03	36,170	43,401	43,101	42,039	42,051	42,051	42,051	42,051	42,051	42,051	42,051	42,051	42,051	42,051
Jul-03	42,168	43,331	38,736	38,736	38,666	38,666	38,666	38,666	38,666	38,666	38,666	38,666	38,666	38,666
Jan-04	58,185	64,915	66,195	66,310	66,227	66,227	66,227	66,227	66,227	66,227	66,227	66,227	66,227	66,227
Jul-04	62,799	63,508	62,714	62,714	62,694	62,694	62,618	62,587	62,581					
Jan-05	124,484	130,540	132,053	129,262	128,917	128,617	128,367	128,017						
Jul-05	113,964	121,385	119,624	119,424	119,424	119,424	119,424							
Jan-06	93,686	144,885	134,966	134,966	134,966	134,921								
Jul-06	163,323	169,211	167,042	166,232	166,036									
Jan-07	127,957	125,586	123,461	123,302										
Jul-07	90,896	98,223	97,788											
Jan-08	121,180	118,890												
Jul-08	158,135													

AGE - TO - AGE DEVELOPMENT FACTORS

Accident Semester	1 to 2	2 to 3	3 to 4	4 to 5	5 to 6	6 to 7	7 to 8	8 to 9	9 to 10	10 to 11	11 to 12	12 to 13	13 to 14
Jan-02	1.054	1.028	0.964	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Jul-02	1.032	0.995	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Jan-03	1.200	0.993	0.975	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Jul-03	1.028	0.894	1.000	0.998	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Jan-04	1.116	1.020	1.002	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Jul-04	1.011	0.987	1.000	1.000	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Jan-05	1.049	1.012	0.979	0.997	0.998	0.998	0.997	1.000	1.000	1.000	1.000	1.000	1.000
Jul-05	1.065	0.985	0.998	1.000	1.000	1.000							
Jan-06	1.546	0.932	1.000	1.000	1.000								
Jul-06	1.036	0.987	0.995	0.999									
Jan-07	0.981	0.983	0.999										
Jul-07	1.081	0.996											
Jan-08	0.981												
Average	1.084	0.982	0.994	0.999	0.999	0.999	0.999	1.000	1.000	1.000	1.000	1.000	1.000
Avg Last 4	1.020	0.974	0.998	0.999	0.999	0.999	0.999	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.020	0.980	0.998	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	0.998	0.978	0.998	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
ACCIDENT YEAR ENDING			Jul-08	Jul-07	Jul-06		TOTAL						
INCURRED LOSSES			277,025	221,090	300,957		799,072						
DEVELOPMENT FACTOR			0.989	0.999	1.000		0.996						
DEVELOPED LOSSES			274,035	220,894	300,957		795,886						

Progressive Direct Insurance Company
Arkansas Private Passenger Automobile
New Business Effective Date: 11/07/2008

Profit Provision Information

The methodology used below is the standardized methodology used by Progressive in other states.
The selected profit does give credit for investment income for funds supplied by policyholders.

	<u>Auto Liability</u>	<u>Auto Physical Damage</u>
1. Loss & Loss Expense Reserves at 12/31/06	\$4,089,634,960	\$13,141,497
2. Loss & Loss Expense Reserves at 12/31/07	\$4,229,032,839	\$19,933,290
3. Mean Loss & Loss Expense Reserves	\$4,159,333,900	\$16,537,394
4. Unearned Premium Reserves at 12/31/06	\$1,962,093,002	\$1,486,364,200
5. Unearned Premium Reserves at 12/31/07	\$1,882,619,249	\$1,470,642,780
6. Mean Unearned Premium Reserves	\$1,922,356,126	\$1,478,503,490
7. Deduction for Prepaid Expenses	\$292,390,367	\$224,880,381
8. Gross Investment Reserve	\$5,789,299,659	\$1,270,160,503
9. Deduction for Agent Balances	\$1,078,311,489	\$829,340,245
10. Net Investment Reserve	\$4,710,988,170	\$440,820,258
11. Net Investment Income	\$540,610,074	\$540,610,074
12. Cash & Invested Assets	\$12,815,573,627	\$12,815,573,627
13. Rate of Investment Income	4.22%	4.22%
14. Investment Income on All Reserves	\$198,803,701	\$18,602,615
15. Earned Premium	\$7,153,844,209	\$5,051,103,449
16. Investment Income as a % of EP Before Federal Income Tax	2.78%	0.37%
17. Investment Income as a % of EP After Federal Income Tax	2.25%	0.30%
18. Selected Underwriting Profit net of investments	3.75%	5.70%

Source: All Progressive Companies Combined 2007 Annual Statement. See attached page for explanatory notes on the above information

Profit Provision Explanatory Notes

Note: PC equals Progressive companies countrywide data.

Line 1. PC countrywide Loss & Loss Expense Reserves at beginning of the year by line.

Line 2. PC countrywide Loss & Loss Expense Reserves at end of the year by line.

Line 3. (Line 1 plus Line 2) / 2.

Line 4. PC countrywide Unearned Premium Reserve at beginning of the year by line.

Line 5. PC countrywide Unearned Premium Reserve at end of year by line.

Line 6. (Line 4 plus Line 5) / 2.

Line 7. (Line 6) times PC expense ratio (commission, taxes, 1/2 of acquisition costs, and 1/2 of general expenses by line (from Annual Statement, line 11).

Liability 0.0000 Physical Damage 0.0000

Line 8. (Line 3 plus Line 6) - Line 7.

Line 9. (Line 6) x A x M.

A = Ratio of countrywide agents balances for all lines to countrywide
Unearned Premium Reserves

M = $100\% - \text{Commissions} - \text{taxes} - \text{general expenses} - \text{other acquisitions} /$
 $100\% - \text{Commissions}$

A = 0.0000 M = 0.0000 for Liability M = 0.0000 for Physical Damage

Line 10. (Line 8 - Line 9).

Line 11. Line 11 of the Underwriting & Investment Exhibit on Page 4 of the Annual Statements for the PC.

Line 12. Sum of items 1 to 7 inclusive of Page 2 of the Annual Statements for the PC.

Line 13. (Line 11 / Line 12)

Line 14. (Line 13 x Line 10)

Line 15. PC Countrywide Earned Premium by Line.

Line 16. (Line 14 / Line 15)

Line 17. (Line 16 X (1.0 - Federal Income Tax Withheld)).

Policy Acquisition Expenses

Actual Cost Per Term* (Trailing 12 Months)	\$145.63		
Projected Cost Per Term	\$153.36		
Acquisition Expense Amount Recovered Per Term: Current	\$118.22	Indicated Acquisition Expense Change**	29.7%
Acquisition Expense Amount Recovered Per Term: Selected	\$127.68	Selected Acquisition Expense Change	7.9%

* Actual Cost Per Term = (Trailing 12 Month Cost Per Sale/Policy Life Expectancy) * 6

** Indicated Acquisition Expense Change = (Projected Cost Per Term)/(Acquisition Expense Amount Recovered Per Term: Current).

Acquisition Expense Load Table

Exhibit: 10

Pre-Credit Tier	Credit Tier	Acquisition Load Factor
A1	A1	0.53
A1	B1	0.55
A1	C1	0.59
A1	D1	0.63
A1	E1	0.66
A1	F1	0.72
A1	G1	0.77
A1	H1	0.83
A1	I1	0.91
A1	J1	0.98
A1	K1	1.04
A1	L1	1.15
A1	M1	1.24
A1	N1	1.33
A1	O1	1.42
A1	P1	1.55
A1	Q1	1.75
A1	R1	2.16
A1	T1	1.15
A1	T3	1.15
A1	T4	0.98
A1	T5	0.77
A1	U1	0.53
A1	V1	2.16
A1	W1	2.16
A1	X1	1.15
A1	X3	1.15
A1	X4	0.98
A1	X5	0.77
A1	Y1	1.42
A1	Z1	2.16
B1	A1	0.63
B1	B1	0.69
B1	C1	0.72
B1	D1	0.76
B1	E1	0.83
B1	F1	0.92
B1	G1	0.96
B1	H1	1.06
B1	I1	1.13
B1	J1	1.20
B1	K1	1.31
B1	L1	1.39
B1	M1	1.49
B1	N1	1.62
B1	O1	1.78
B1	P1	2.00
B1	Q1	2.00
B1	R1	2.47
B1	T1	1.39
B1	T3	1.39
B1	T4	1.20
B1	T5	0.96
B1	U1	0.63
B1	V1	2.47
B1	W1	2.47
B1	X1	1.39
B1	X3	1.39
B1	X4	1.20
B1	X5	0.96
B1	Y1	1.78
B1	Z1	2.47
C1	A1	0.84
C1	B1	0.93
C1	C1	0.97

Acquisition Expense Load Table

Exhibit: 10

Pre-Credit Tier	Credit Tier	Acquisition Load Factor
C1	D1	1.06
C1	E1	1.13
C1	F1	1.21
C1	G1	1.32
C1	H1	1.44
C1	I1	1.52
C1	J1	1.69
C1	K1	1.80
C1	L1	1.95
C1	M1	2.11
C1	N1	2.25
C1	O1	2.36
C1	P1	2.51
C1	Q1	2.74
C1	R1	3.25
C1	T1	1.95
C1	T3	1.95
C1	T4	1.69
C1	T5	1.32
C1	U1	0.84
C1	V1	3.25
C1	W1	3.25
C1	X1	1.95
C1	X3	1.95
C1	X4	1.69
C1	X5	1.32
C1	Y1	2.36
C1	Z1	3.25

Progressive Direct Insurance Company
Arkansas Private Passenger Automobile
New Business Effective Date: 11/07/2008

Base Rate Factor Table Exhibit: 10

BI	PD	COMP	COLL	PIP	UIM	UM	UMPD	LOAN	RENT	ROADSIDE	ACPE	FLAT ACQ
101.62	108.20	128.66	295.76	71.09	7.72	13.01	17.98	8.18	24.47	6.09	2.17	151.18

Education Factor Table

Exhibit: 10

[illegible]

Progressive Direct Insurance Company
Arkansas Private Passenger Automobile
New Business Effective Date: 11/07/2008

Internet Quote Discount Table

Exhibit: 10

[illegible]

Progressive Direct Insurance Company
Arkansas Private Passenger Automobile
New Business Effective Date: 11/07/2008

Loyal Customer Discount Table

Exhibit: 10

[illegible]

UMPD Limit Factor Table

Exhibit: 10

UMPD Limit	COLL Deductible	Factor
NONE	NONE	0.00
NONE	100 DED	0.00
NONE	250 DED	0.00
NONE	500 DED	0.00
NONE	1,000 DED	0.00
25 W/\$200 DED	NONE	1.32
25 W/\$200 DED	100 DED	0.21
25 W/\$200 DED	250 DED	0.81
25 W/\$200 DED	500 DED	1.13
25 W/\$200 DED	1,000 DED	1.30
50 W/\$200 DED	NONE	2.00
50 W/\$200 DED	100 DED	0.32
50 W/\$200 DED	250 DED	1.23
50 W/\$200 DED	500 DED	1.72
50 W/\$200 DED	1,000 DED	1.97
100 W/\$200 DED	NONE	3.00
100 W/\$200 DED	100 DED	0.48
100 W/\$200 DED	250 DED	1.85
100 W/\$200 DED	500 DED	2.57
100 W/\$200 DED	1,000 DED	2.96
100 CSL W/\$200 DED	NONE	2.70
100 CSL W/\$200 DED	100 DED	0.43
100 CSL W/\$200 DED	250 DED	1.66
100 CSL W/\$200 DED	500 DED	2.31
100 CSL W/\$200 DED	1,000 DED	2.66
300 CSL W/\$200 DED	NONE	4.00
300 CSL W/\$200 DED	100 DED	0.64
300 CSL W/\$200 DED	250 DED	2.46
300 CSL W/\$200 DED	500 DED	3.43
300 CSL W/\$200 DED	1,000 DED	3.95
500 CSL W/\$200 DED	NONE	5.00
500 CSL W/\$200 DED	100 DED	0.80
500 CSL W/\$200 DED	250 DED	3.08
500 CSL W/\$200 DED	500 DED	4.29
500 CSL W/\$200 DED	1,000 DED	4.94

Model Year Factor Table

Exhibit: 10

Model Year	BI	PD	COMP	COLL	PIP	UM/UIM	UMPD	LOAN
1901 ... 1990	0.88	0.88	0.59	0.39	0.88	0.78	0.39	0.59
1991	0.88	0.88	0.59	0.39	0.88	0.78	0.39	0.59
1992	0.88	0.88	0.59	0.39	0.92	0.87	0.39	0.59
1993	0.88	0.88	0.59	0.39	0.97	0.89	0.39	0.59
1994	1.00	1.00	0.63	0.41	0.97	0.91	0.41	0.63
1995	1.01	1.01	0.64	0.49	1.01	0.95	0.49	0.64
1996	1.01	1.01	0.70	0.54	1.05	0.98	0.54	0.70
1997	1.01	1.01	0.73	0.55	1.05	0.99	0.55	0.73
1998	1.01	1.01	0.77	0.59	1.05	1.00	0.59	0.77
1999	1.01	1.01	0.77	0.64	1.07	1.01	0.64	0.77
2000	1.02	1.02	0.79	0.69	1.05	1.01	0.69	0.79
2001	1.02	1.02	0.82	0.74	1.05	1.01	0.74	0.82
2002	1.01	1.01	0.84	0.85	1.04	1.01	0.85	0.84
2003	1.02	1.02	0.90	0.92	1.02	1.07	0.92	0.90
2004	1.02	1.02	0.96	1.01	1.01	1.07	1.01	0.96
2005	1.02	1.02	1.02	1.08	1.01	1.07	1.08	1.02
2006	0.99	0.99	1.08	1.13	0.97	1.08	1.13	1.08
2007	0.98	0.98	1.14	1.13	0.97	1.04	1.13	1.14
2008	1.00	1.00	1.19	1.13	0.92	1.00	1.13	1.19
2009 ... 2025	1.00	1.00	1.22	1.13	0.92	1.00	1.13	1.22

Progressive Direct Insurance Company
Private Passenger Automobile Program
Rules Filing for the State of Arkansas

**Rules Filing
Table of Contents**

<u>Rule Number</u>	<u>Rule Title</u>
R49.03.00	Education Rating
R51.01.00	Online Quote and Loyal Customers Discounts
U01.11.00	Underwriting Tier Determination

Progressive Direct Insurance Company
Private Passenger Automobile Program
Rules Filing for the State of Arkansas

R49.03.00 – Education Rating

An education rating factor will be applied based on the highest level of education achieved by any rated named insured or eligible to be rated spouse. The education level will be classified into one of the following eight categories:

- 0) Unknown
- 1) No high school diploma or GED
- 2) High School diploma or GED
- 3) Vocational or Trade School degree
- 4) Some college
- 5) Currently in college
- 6) College degree
- 7) Graduate work or graduate degree

The factor will be applied to all new business policies incepting on or after 03/28/2008. Policies that incepted prior to 03/28/2008 will be rated with a rate neutral factor under the education level of "0) Unknown" at renewal unless the named insured contacts the Company with education information. Education will only be used for policies that incepted prior to this date if it results in a premium decrease.

The Education rating factors will vary based on the presence of prior insurance coverage. A policy is considered to have prior insurance if the named insured had prior private passenger automobile liability insurance continuously for three years with no more than a 30 day lapse.

Refer to the Rates Filing for factors and applicable coverages.

R51.01.00 – Online Quote and Loyal Customers Discounts

New business and renewal policies originally quoted by the policyholder on the internet will be granted the Online Quote Discount. Renewal policies originally quoted on the phone and effective prior to the introduction of the Online Quote Discount will be granted a Loyal Customer Discount.

Both discounts will be policy level.

The applied discount will remain on the policy throughout the life of the policy.

The Online Quote discount will vary based on the presence of prior insurance coverage. A policy is considered to have prior insurance if the named insured had prior private passenger automobile liability insurance continuously for three years with no more than a 30 day lapse.

Refer to Rates Filing for discount percentages and coverages to which these discounts are applied.

U01.10.00 – Underwriting Tier Determination

The criteria used to determine underwriting tier is prior insurance.

The prior insurance criterion considers whether:

A. the named insured has prior private passenger automobile liability insurance that covered the named insured or rated spouse and provided three years continuous liability coverage;

B. there was a lapse in coverage of 0 days, 1-31 days, or greater than or equal to 32 days in the preceding 3 years prior to the inception of the Company's policy.

Progressive Direct Insurance Company
Private Passenger Automobile Program
Rules Filing for the State of Arkansas

If the prior insurance is from the Company or its affiliate and the named insured or spouse was continuously insured with the Company for 2 or more years, a lapse of up to 31 days will be waived to retain the prior insurance treatment from the preceding policy.

If a child is leaving a parent's policy written with the Company or its affiliate, that child will retain the prior insurance treatment that applied to the parent's policy, unless their own treatment is better. This only applies to a child who is between the legal licensing age (drive without supervision) plus 3 years and up to 22.

Underwriting Tier Determination	
Proof of Prior (POP) Days of lapse	Underwriting Tier
POP, no lapse	A1
POP, 1 - 31 day lapse	B1
No POP or POP w/ 32 + day lapse	C1

Progressive Direct Insurance Company
Arkansas Private Passenger Automobile
New Business Effective Date: 11/07/2008

Base Rate Factor Table Exhibit: 10

BI	PD	COMP	COLL	PIP	UIM	UM	UMPD	LOAN	RENT	ROADSIDE	ACPE	FLAT ACQ
99.24	105.67	125.99	288.37	68.62	7.53	12.70	17.57	8.02	23.79	6.08	2.17	151.51

Progressive Direct Insurance Company
Arkansas Private Passenger Automobile
New Business Effective Date: 11/07/2008

Underwriting Tier Factor Table

Exhibit: 9

Pre-Credit

Tier	BI	PD	COMP	COLL	LOAN	PIP	UM/UIM	UMPD	RENT
A	0.96	0.96	0.97	0.96	0.97	0.96	0.98	0.96	0.96
B	1.03	1.03	1.00	1.02	1.00	1.00	1.02	1.02	1.02
C	1.12	1.12	1.12	1.16	1.12	1.11	1.05	1.16	1.16

SERFF Tracking Number:	PRGS-125850736	State:	Arkansas
Filing Company:	Progressive Direct Insurance Company	State Tracking Number:	EFT \$100
Company Tracking Number:	AR DIR 200811		
TOI:	19.0 Personal Auto	Sub-TOI:	19.0001 Private Passenger Auto (PPA)
Product Name:	AR Direct 200811		
Project Name/Number:	AR Direct 200811/		

Supporting Document Schedules

Satisfied -Name:	A-1 Private Passenger Auto Abstract	Review Status:	Filed	10/23/2008
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Comments:

Attachment:

A-1 ed 1-06.pdf

Satisfied -Name:	APCS-Auto Premium Comparison Survey	Review Status:	Filed	10/23/2008
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Comments:

Attachment:

PPA Survey FORM AR Direct 200811.xls

Satisfied -Name:	NAIC loss cost data entry document	Review Status:	Filed	10/23/2008
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Comments:

Attachment:

AR 200811 NAIC loss_cost_data_entry.pdf

Bypassed -Name:	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Review Status:	Filed	10/23/2008
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Bypass Reason: Filing NAIC loss cost

Comments:

Satisfied -Name:	Uniform Transmittal Document- Property & Casualty	Review Status:	Filed	10/23/2008
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Comments:

Attachment:

Transmittal.pdf

<i>SERFF Tracking Number:</i>	<i>PRGS-125850736</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Progressive Direct Insurance Company</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>AR DIR 200811</i>		
<i>TOI:</i>	<i>19.0 Personal Auto</i>	<i>Sub-TOI:</i>	<i>19.0001 Private Passenger Auto (PPA)</i>
<i>Product Name:</i>	<i>AR Direct 200811</i>		
<i>Project Name/Number:</i>	<i>AR Direct 200811/</i>		

Satisfied -Name:	Cover Letter	Review Status:	
Comments:		Filed	10/23/2008
Attachment:			
Cover Letter.pdf			

Satisfied -Name:	Education Factor Support	Review Status:	
Comments:		Filed	10/23/2008
Attachment:			
Education Factor justification.pdf			

ARKANSAS INSURANCE DEPARTMENT

FORM A-1 PRIVATE PASSENGER AUTOMOBILE ABSTRACT

Instructions: All questions must be answered. If the answer is "none" or "Not applicable, so state. If all questions are not answered, the filing will not be accepted for review by the Department. Use a separate abstract for each company if filing for a group. Subsequent private passenger auto rate/rule submissions that do not alter the information contained herein need not include this form.

Company Name Progressive Direct Insurance Company
NAIC # (including group #) 16322

1. Are there any areas in the State of Arkansas in which your company will not write automobile insurance? ☐ Yes ☒ No

If yes, list the areas:

2. Do you furnish a market for young drivers? ☒ Yes ☐ No

3. Do require collateral business to support a youthful driver? ☐ Yes ☒ No

4. Do you insure drivers with an international or foreign driver's license? ☒ Yes ☐ No

5. Specify the percentage you allow in credit or discounts for the following:

- | | |
|----------------------------|-------|
| a. Driver over 55 | 5% |
| b. Good Student Discount | 5% |
| c. Multi-car Discount | 1-12% |
| d. Accident Free Discount* | 1-7% |

Please Specify Qualification for Discount:

5 year at-fault accident free

- | | |
|------------------------|-------------|
| e. Anti-Theft Discount | 0% |
| f. Other (specify) | % |
| Homeowners | 1-3% |
| Paid in Full | 6-23% |
| Minor Child | 25% |
| Distant Student | 10% |
| Deluxe Coverage | 1-15% |
| Loyalty Discount | 2-3% |
| Internet Quote | 6-12% |
| E-Signature Discount | Approx \$50 |

6. Do you have an installment payment plan for automobile insurance? ☒ Yes ☐ No

If so, what is the fee for installment payments?

\$5 paper / \$1 EFT

7. Does your company utilize a tiered rating plan? ☐ Yes ☒ No

If so, list the programs and percentage difference and current volume for each plan:

Program	Percentage Difference	Volume
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THE INFORMATION PROVIDED IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Signature

Printed Name

Title

Telephone Number

Email address

<i>SERFF Tracking Number:</i>	<i>PRGS-125850736</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Progressive Direct Insurance Company</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>AR DIR 200811</i>		
<i>TOI:</i>	<i>19.0 Personal Auto</i>	<i>Sub-TOI:</i>	<i>19.0001 Private Passenger Auto (PPA)</i>
<i>Product Name:</i>	<i>AR Direct 200811</i>		
<i>Project Name/Number:</i>	<i>AR Direct 200811/</i>		

Attachment "PPA Survey FORM AR Direct 200811.xls" is not a PDF document and cannot be reproduced here.

NAIC LOSS COST DATA ENTRY DOCUMENT (EFFECTIVE AUG. 16, 2004)

1.	This filing transmittal is part of Company Tracking #	AR DIR 200811
2.	If filing is an adoption of an advisory organization loss cost filing, give name of advisory organization and Reference/Item Filing Number	N/A

Company Name		Company NAIC Number		
3.	A.	Progressive Direct Insurance Company	B.	16322

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)		
4.	A.	Personal Auto	B.	Private Passenger Auto

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
BI	9.3%	9.0%	82.0%				
PD	4.3%	4.0%	82.0%				
UM/UIM	6.0%	6.0%	82.0%				
UMPD	-5.0%	-5.0%	82.0%				
PIP	7.8%	7.5%	82.0%				
COMP	12.3%	11.0%	80.1%				
COLL	-2.1%	-1.5%	80.1%				
Acquisition Expense	29.7%	7.9%	82.0%				
TOTAL OVERALL EFFECT	7.7%	4.4%					

6. 5 Year History Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2007	8,634	-4.8%	3/07	15,890	8,110	51.0%	54.6%
2006	8,683	1.7%	6/06	16,106	7,902	49.1%	51.1%
2005	7,718	-0.5%	6/04	14,678	7,727	52.6%	52.6%
2004	6,959	0.0%	11/03	13,199	6,415	48.6%	49.6%
2003	6,023	4.3%	1/03	10,158	5,192	51.1%	52.6%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	9.3%
B. General Expense	0.0%
C. Taxes, License & Fees	5.9%
D. Underwriting Profit & Contingencies	5.0%
E. Other (Investment Income)	-1.2%
F. TOTAL	19.0%

- 8.** N Apply Lost Cost Factors to Future filings? (Y or N)
- 9.** 5% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____
- 10.** -6% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only	
	a. Date the filing is received:	
	b. Analyst:	
	c. Disposition:	
	d. Date of disposition of the filing:	
	e. Effective date of filing:	
	New Business	
	Renewal Business	
	f. State Filing #:	
	g. SERFF Filing #:	
h. Subject Codes		

[illegible]

5.	Company Tracking Number	
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
7.	Signature of authorized filer				
8.	Please print name of authorized filer				

Filing information (see General Instructions for descriptions of these fields)

9.	Type of Insurance (TOI)				
10.	Sub-Type of Insurance (Sub-TOI)				
11.	State Specific Product code(s)(if applicable)[See State Specific Requirements]				
12.	Company Program Title (Marketing title)				
13.	Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)			
14.	Effective Date(s) Requested	New:		Renewal:	
15.	Reference Filing?	<input type="checkbox"/> Yes <input type="checkbox"/> No			
16.	Reference Organization (if applicable)				
17.	Reference Organization # & Title				
18.	Company's Date of Filing				
19.	Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved			

Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	
21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]	

[illegible]

***Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	
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☐ Rate Increase ☐ Rate Decrease ☐ Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	
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4a.	Rate Change by Company (As Proposed)
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Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)

4b.	Rate Change by Company (As Accepted) For State Use Only
------------	--

Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change	Minimum % Change

5.	Overall Rate Information (Complete for Multiple Company Filings only)
-----------	--

		COMPANY USE	STATE USE
5a	Overall percentage rate indication (when applicable)		
5b	Overall percentage rate impact for this filing		
5c	Effect of Rate Filing – Written premium change for this program		
5d	Effect of Rate Filing – Number of policyholders affected		

6.	Overall percentage of last rate revision	
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7.	Effective Date of last rate revision	
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8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	
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9.	Rule # or Page # Submitted for Review	Replacement or withdrawn?	Previous state filing number, if required by state
01		[] New [] Replacement [] Withdrawn	
02		[] New [] Replacement [] Withdrawn	
03		[] New [] Replacement [] Withdrawn	



Geoffrey T Souser, Product Manager
300 North Commons Blvd, G22A5
Mayfield Village, OH 44143
Phone: (440) 395-8862
Fax: (887) 280-5587
E-mail: Geoffrey_T_Souser@progressive.com

October 10, 2008

Ms. Alexa Grissom
Certified Analyst
Arkansas Insurance Department
1200 West Third St
Little Rock, AR 77201

**Subject: NAIC # 155 - 16322 Progressive Direct Insurance Company
Private Passenger Auto Rate Filing**

**Effective: November 07, 2008 for New Business
December 22, 2008 for Renewal Business**

Dear Ms. Grissom,

We respectfully request this filing be approved for our proposed new business effective date. The overall rate change for this filing is 4.4%. We have updated several aspects of our product – including the use of Not-at-Fault accidents, and pricing at the coverage level. As you have requested, we've only filed those pages with changes.

If you have any questions or require additional information, please do not hesitate to call me at 440-395-7105 or send an email to Geoffrey_T_Souser@Progressive.com. Thank you for your prompt review.

Sincerely,

Geoffrey T. Souser
Product Manager

Progressive Direct Insurance Company
Arkansas Private Passenger Automobile
New Business Effective Date: 11/07/2008

Loss Data Justification for Education Factors

EDUCATION RATING FACTORS FOR POP CUSTOMERS

EDUCATION VARIABLE		POLICY LEVEL STATISTICS							LOSS RATIO RELATIVITIES						
Class	Description	Earned Premium	Incurred Losses (capped at \$500k)	Earned Car Years	% Earned Car Years	Incurred Loss Count	Loss Ratio	Loss Ratio Relativities	Previous Factors	Rebased Previous Factors	Predicted Loss Ratio Relativities	Indicated Change**	New Indicated Factors***	New Selected Relativities	Rebased New Selected Relativities
1	No HS Diploma or GED	\$ 1,788,258	\$ 1,392,359	1,443	1%	478	0.78	1.17	1.11	1.14	1.14	14%	1.30	1.22	1.00
2	High School Diploma or GED	\$ 19,692,302	\$ 14,025,263	16,167	12%	4,709	0.71	1.07	1.08	1.11	1.08	8%	1.20	1.14	0.93
3	Vocational or Trade School Degree	\$ 5,207,157	\$ 3,238,052	4,619	3%	1,346	0.62	0.93	1.08	1.11	0.93	-7%	1.03	1.08	0.89
4	Completed Some College	\$ 28,909,595	\$ 19,012,219	25,795	19%	7,791	0.66	0.99	1.00	1.03	0.98	-2%	1.01	1.02	0.84
5	Currently in College	\$ 15,312,498	\$ 10,448,001	12,152	9%	4,670	0.68	1.02	0.94	0.96	1.02	2%	0.98	0.98	0.80
6	College Degree	\$ 53,456,773	\$ 35,314,157	53,170	38%	15,366	0.66	0.99	0.94	0.96	0.99	-1%	0.95	0.95	0.78
7	Graduate Work or Degree	\$ 23,384,867	\$ 15,110,487	25,079	18%	7,022	0.65	0.97	0.94	0.96	0.97	-3%	0.93	0.95	0.78
TOTAL - ALL EDUCATION LEVELS		\$ 147,751,448	\$ 98,540,537	138,425	100%	41,382	0.67	1.00	0.98	1.00	1.00	-	1.00	1.00	

EDUCATION RATING FACTORS FOR NOP CUSTOMERS

EDUCATION VARIABLE		POLICY LEVEL STATISTICS							LOSS RATIO RELATIVITIES						
Class	Description	Earned Premium	Incurred Losses (capped at \$500k)	Earned Car Years	% Earned Car Years	Incurred Loss Count	Loss Ratio	Loss Ratio Relativities	Previous Factors	Rebased Previous Factors	Predicted Loss Ratio Relativities	Indicated Change	New Indicated Factors	New Selected Relativities	Rebased New Selected Relativities
1	No HS Diploma or GED	\$ 4,261,736	\$ 2,716,772	2,662	2%	917	0.64	1.04	1.11	1.12	1.04	4%	1.16	1.16	1.00
2	High School Diploma or GED	\$ 35,281,209	\$ 20,701,194	23,013	21%	7,471	0.59	0.96	1.08	1.08	0.95	-5%	1.03	1.07	0.92
3	Vocational or Trade School Degree	\$ 7,047,744	\$ 4,080,912	4,960	5%	1,568	0.58	0.95	1.08	1.08	0.96	-4%	1.04	1.04	0.90
4	Completed Some College	\$ 38,442,452	\$ 23,717,039	26,932	25%	8,892	0.62	1.01	1.00	1.01	1.01	1%	1.02	1.01	0.87
5	Currently in College	\$ 19,884,484	\$ 12,622,136	13,309	12%	5,451	0.63	1.04	0.94	0.94	1.03	3%	0.97	0.98	0.84
6	College Degree	\$ 37,954,279	\$ 23,263,955	27,914	26%	9,469	0.61	1.00	0.94	0.94	1.00	0%	0.94	0.96	0.83
7	Graduate Work or Degree	\$ 12,628,427	\$ 8,178,199	9,357	9%	3,490	0.65	1.06	0.94	0.94	1.05	5%	0.99	0.96	0.83
TOTAL - ALL EDUCATION LEVELS		\$ 155,500,330	\$ 95,280,208	108,148	100%	37,258	0.61	1.00	1.00	1.00	1.00	-	1.00	1.01	

* Countrywide data obtained from all states that have implemented Education Rating

* Data is from 01/2007 - 05/2008

** Indicated Change = Predicted Los Ratio Relativity - 1

*** New Indicated Factors = (Rebased Previous Factor * Indicated Change) + Rebased Previous Factor